

Filed for intro on 05/12/97

SENATE JOINT RESOLUTION 260  
By Gilbert

A RESOLUTION to create a special joint committee to study electric utility deregulation and its impact on Tennessee.

WHEREAS, electricity is a necessity for all individuals, industries, businesses, municipalities and counties in the State of Tennessee; and

WHEREAS, the generation and transmission of electric power and the sale and distribution of electricity to consumers within the state are of vital importance to the citizens of this state; and

WHEREAS, it is the policy of the General Assembly and this state to support a regulatory climate that ensures reliable electric services at reasonable prices for all consumers as a matter of public interest; and

WHEREAS, markets for electricity are changing nationally and appear to be rapidly moving toward increased competition; and

WHEREAS, the deregulation of Tennessee's electric utility industry could potentially have a profound impact on state resources by decreasing utility costs; and

WHEREAS, electric utility deregulation in Tennessee could enhance the competitive position of Tennessee's businesses and industries, including Tennessee's ability to compete more effectively in business development; and

**\*35090906\***

35090906

**\*007507\***

\*00750737\*

WHEREAS, there exist significant opportunities to provide other innovative choices for electricity to consumers with a deregulated electric utility industry; and

WHEREAS, there is a need for careful consideration of all issues involving customer choice, the potential restructuring of, and competition in the electric utility industry and the present system of electric utility regulation; and

WHEREAS, the Federal Energy Regulatory Commission and the legislatures and regulatory commissions of forty-nine states either have implemented or are studying initiatives to restructure and to increase competition in the electric utility industry; and

WHEREAS, the deregulation of the electric utility industry in Tennessee will be more complex than in most other states because Tennessee consumers are supplied power almost exclusively by the Tennessee Valley Authority, the nation's largest public power supplier, which enjoys certain legal rights and protections that are not present in other markets; and

WHEREAS, the interest of Tennessee's citizens in a competitive electric utility industry warrants the immediate attention of the General Assembly; now, therefore,

BE IT RESOLVED BY THE SENATE OF THE ONE-HUNDREDTH GENERAL ASSEMBLY OF THE STATE OF TENNESSEE, THE HOUSE OF REPRESENTATIVES CONCURRING, That there is hereby created a special joint committee to study the issue of electric utility deregulation and its impact on Tennessee.

BE IT FURTHER RESOLVED, That the committee shall consist of four (4) members of the House of Representatives and four (4) members of the Senate to be appointed by the respective speakers; provided, that no fewer than two (2) of the members of the joint committee shall be the current chairs, vice chairs or secretaries of the standing House and Senate committees that are responsible for energy matters affecting the state.

BE IT FURTHER RESOLVED, That in its deliberations, the special joint committee shall study and examine the following issues, in addition to all other issues the committee deems pertinent related to the deregulation of the electric utility industry:

(1) What effect Tennessee's status as a state that is provided power almost exclusively from the Tennessee Valley Authority may have on the deregulation process;

(2) What services and other functions of the electric utility industry can best achieve their goals by being subject to competition, if any, taking into account factors such as reliability, price, profit, and rates;

(3) What services and other functions of the electric utility industry can best achieve their goals through regulation or a combination of regulation and competition, if any;

(4) With respect to those services and other functions that should be subjected to competition, the ways and means of monitoring such services and functions to ensure that there is, in fact, competition and that competition is achieving its goals; and

(5) With respect to those services and functions that should be regulated, what form such regulation should take and the ways and means of determining whether or not such regulation is achieving its goals.

BE IT FURTHER RESOLVED, That the study committee shall be charged with the duty and authority to interview witnesses who represent or advise suppliers, large and small industrial consumers, individual consumers and other organizations which might have experience or pertinent information on this subject.

BE IT FURTHER RESOLVED, That all appropriate state agencies shall provide assistance to the special joint committee upon request of the chair.

BE IT FURTHER RESOLVED, That all legislative members of the special joint committee who are duly elected members of the General Assembly shall remain members of such committee until the committee reports its findings and recommendations to the General Assembly.

BE IT FURTHER RESOLVED, That the special joint committee shall be convened by the member with the most years of continuous service in the General Assembly; and at its first meeting shall elect a chair, vice-chair, and such other officers the committee deems necessary.

BE IT FURTHER RESOLVED, That the special joint committee shall timely report its findings and recommendations, including any proposed legislation or interim reports, to the One-Hundredth General Assembly, no later than February 28, 1998, after which time the committee shall cease to exist unless additional time is requested by the chair of the committee and approved by the Speakers of the House and Senate, in which case the final report shall be submitted by February 28, 1999, after which time the committee shall cease to exist.